(6) As against the total cost of the scheme of Rs. 70.62 lakhs the HUDCO has sanctioned Rs. 52.55 lakhs as loan on Government guarantee and a sum of Rs. 15.86 lakhs is the receipt from the allottees as advance and a shortage of Rs. 8.21 lakhs will be recovered from the parties before the work starts. The Loan of HUDCO carries interest at the following rates:—

Category	Gross Interest rate	Rebate allowed for prompt payment	Effective rate of interest
Economically Weaker Section	5.25	0.25	5.00
Low Income Group	7.25	0 25	7 00
Middle Income Group	10.75	0.25	10 50

(7) The Chairman, City Improvement Trust Board, Mysore has requested sanction of Government to the scheme amounting to Rs. 70.62 lakhs and also to stand guarantee for drawa of the loan amount of Rs. 52.55 lakhs sanctioned by the HUDCO.

ORDER NO HUD 331 MNM 78, BANGALORE, DATED 20TH JANUARY 1979.

Government of Karnataka are pleased to accord administrative approval to the Composite Housing Scheme for construction of houses in Gangothri layout at an estimated cost of Rs. 70.62 lakhs (Rupees Seventy lakhs and sixty two thousand only).

(2) The City Improvement Trust Board, Mysore is permitted to receive the loan of Rs. 52.55 lakhs (Rupees-Fifty two lakhs and fifty-five thousand only). Government stand guarantee to the said loan sanctioned by HUDCO, New Delhi, to the Board for the construction of houses in Gangothri layout, Mysore under Section 25A of the City Improvement Trust Board Act subject to the following terms and conditions:—

(i) The loan will be drawn by the City Improvement Trust Board, Mysore in *Eight* instalments as shown below —

Sl. No.	Year and month	Amount (Rs. in lakhs) E. W. S.	L. I. G.	M. I. G.	Total
1	On or after 1-10-1978	0.28	0.22	0 15	0.65
2	On or after 1-1-1979	2 92	2 13	1.40	6 45
3	On or after 1-4-1979	2.85	2.90	1.45	7.20
4	On or after 1-7-1979	2.85	2.75	1.35	6.95
5	On or after 1-10-1979	3.10	2.95	1.35	7.40
6	On or after 1-1-1980	3.55	4.20	1.90	9.65
7	On or after 1-4-1980	2.40	3 35	1.85	7.60
8	On or after 1-7-1980	2.30	2.95	1.40	6.65
		20.25	21.45	10.85	52.55

(ii) The loan carries interest rates applicable to various categories as indicated in para 6 of the preamble.

(iii) It shall be calculated in respect of each instalment drawn by the Borrower from the date of payment of that instalment by the Corporation on the amount of the loan from time to time outstanding and the interest calculated as aforesaid shall be due and payable quarterly on the 1st day of January April, July and October of each year, being due and payable on the due date immediately following the date of first disbursement against the loan. The repayment schedule in respect of principal is indicated in the annexure to this Government Order.

(iv) The period of guarantee shall be co-terminus with the period of repayment of the loan by the City Improvement Trust Board, Mysore along with the payment of interest.

(v) The City Improvement Trust Board, Mysore shall pay a guarantee commission at ½% per annum to Government.

(vi) The Guarantee Commission will be calculated with reference to the actual balance of the principal and interest outstanding at the end of each month and shall be paid once in six months. The payment of guarantee commission will commence after six months from the date of drawal of the loan.

(vii) The Chairman, City Improvement Trust Board Mysore should execute the indemnity bond in favour of the Government; the copies of which also should be furnished to the Accountant General, Karnataka, Bangalore.

(viii) The Housing and Urban Development Corporation shall bring promptly to the notice of the Government defaults by the principal debtor *i.e.*, City Improvement Trust Board, Mysore either in the payment of principal or of interest or both.

(ix) The City Improvement Trust Board, Mysore should create a sinking fund to which contributions should be made periodically by it to enable to pay the loan premium and interest accrued thereon.

(x) The City Improvement Trust Board, Mysore should send once a year complete information of its assets and liabilities to Government and to the Accountant General, Karnataka, Bangalore. This information should be sent by the 30th September.

(xi) The City Improvement Trust Board, Mysore should not raise any further loan without the prior approval of the State Government.

(xii) The City Improvement Trust Board, Mysore should submit the annual audit statement of accounts to the Accountant General, Karnataka, Bangalore and the accounts shall be kept open to test check by the Comptroller, and Auditor General of India at his discretion.

(xiii) The Controller, State Accounts Department, Bangalore shall watch the payment of guarantee commission to Government and also to watch that the other terms of guarantee are implemented by the City Improvement Trust Board, Mysore.

(xiv) The scheme will be implemented strictly as per the norms and conditions fixed by HUDCO and completed as per the time schedule prescribed by HUDCO.

3. This order issues with the concurrence of Finance Department *vide* its U.O. Note No. FD 2433/Exp-III/78, dated 7th November 1978.

By Order and in the name of the Governor of Karnataka,

N. SHANTHA RAJU,
Under Secretary to Government,
Housing and Urban Dev. Dept.

ANNEXURE

Number of Instalments		Date	For EWS Amount	For LIG Amount	For MIG Amount	Total
			(Rs. in lakhs)			
1		2	3	4	5	6
First	on or before	31-12-80	0.20	0.30	0.25	0.75
Second	do	31-3-81	0.20	0.30	0.25	0.75
Third	do	30-6-81	0.20	0.35	0.25	0.80
Fourth	do	30-9 81	0.20	0.35	0.25	0.80
Fifth	do	31-12-81	0.20	0.35	0.25	0.80
Sixth	do	31-3-82	0.20	0.35	0.25	0.80
Seventh	do	30-6-82	0.20	0.35	0.25	0.80
Eighth	do	30-9-82	0.20	0.35	0.25	0.80
Ninth	do	31-12-82	0.20	0.35	0.30	0.85
Tenth	do	31-3-83	0.20	0.35	0.30	0.85
Eleventh	do	30-6-83	0.20	0.35	0.30	0.85
Twelfth	do	30-9-83	0.20	0.35	0.30	0.85
Thirteenth	do	31-12-83	0.20	0.35	0.30	0.85
Fourteenth	do	31 3-84	0.20	0.40	0.30	0.90
Fifteenth	do	30-6-84	0.20	0.40	0.30	0.90
Sixteenth	do	30-9-84	0.20	0.40	0.30	0.90
Seventeenth	do	31-12-84	0.25	0.40	0.35	1.00
Eighteenth	do	31-3-85	0.25	0.40	0.35	1.00
Nineteenth	do	30-6-85	0.25	0.40	0.35	1.00
Twentieth	do	30-9-85	0.25	0.40	0.35	1.00
Twenty First	do	31-12-85	0.25	0 45	0.40	1.10
Twenty Second	do	31-3-86	0.25	0.45	0.40	1.10
Twenty Third	do	30-6 86	0.25	0.45	0.40	1.10
Twenty Fourth	do	30-9-86	0.25	0.45	0.40	1.10
Twenty Fifth	do	31-12-86	0 25	0.45	0 40	1.10
Twenty Sixth	do	31-3-87	0.25	0.45	0.40	1.10
Twenty seventh	do	30-6-87	0.25	0 45	0.45	1:15
Twenty eighth	do	30-9-87	0 25	0.45	0.45	1.15
Twenty ninth	do	31-12-87	0.25	0.50	0.45	1 20
Thirtieth	do	31-3-88	0.25	0.50	0 50	1.25
Thirty first	do	30-6-88	0.25	0.50	0.50	1.25
Thirty second	do	30-9-88	0.25	0.50	0.30	1.05